
HOUSE BILL No. 1242

DIGEST OF INTRODUCED BILL

Citations Affected: IC 25-30-1.

Synopsis: Licensing of private detectives. Requires a person who wants to carry a firearm while conducting a private detective business to obtain a certificate by satisfactorily completing a firearms training program. Requires a background check for applicants for private detective licenses and their employees. Increases the amount of liability insurance coverage required for licensing as a private detective. Establishes a registration requirement for field employees of licensed private detectives. Provides for reciprocity with states that have licensing requirements at least equal to Indiana's licensing requirements and that recognize Indiana private detective licenses. Repeals a provision that states that a private detective license does not authorize the licensee to carry a weapon.

Effective: July 1, 2002.

Harris, Crawford

January 14, 2002, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1242

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 25-30-1-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. As used in this
3 chapter:

4 (1) "Person" means an individual, a firm, a company, a
5 association, an organization, a partnership, or a corporation.

6 (2) "Licensee" means a person licensed under this chapter.

7 (3) "Private detective" means a person who conducts a private
8 detective business with or without the assistance of an employee.

9 (4) "Private detective business" means the business of:

10 (A) making, for hire or reward, investigation or investigations
11 for the purpose of obtaining information with reference to:

12 (i) a crime against the state or wrongs done or threatened;

13 (ii) the habits, conduct, movements, whereabouts,
14 association, transactions, reputation, or character of a
15 person;

16 (iii) credibility of witnesses or other persons;

17 (iv) the location or recovery of lost or stolen property;

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(v) the causes, origin, or responsibility for fires or accidents or injuries to real or personal property; or

(vi) the truth or falsity of a statement or representation;

(B) securing, for hire or reward, evidence to be used for authorized investigation committees or boards of award or arbitration or in the trial of civil or criminal cases; or

(C) furnishing, for hire or reward, a guard or guards or other persons to protect persons or property or to prevent the misappropriation or concealment of goods, wares and merchandise, money, bonds, stocks, choses in action, notes, or other valuable documents or papers.

(5) "Industrial plant" means a factory, business, or concern that is engaged primarily in the manufacture or assembly of goods or the processing of raw materials, or both.

(6) "Board" refers to the private detectives licensing board established under section 5.1 of this chapter.

(7) "Licensing agency" refers to the Indiana professional licensing agency established under IC 25-1-6.

(8) "Resident" means a person who has established an actual domicile in Indiana.

(9) "Firearm" has the meaning set forth in IC 35-47-1-5 and includes an unloaded firearm or any firearm that is inoperable but that can be readily rendered operable.

(10) "Registrant" means a person registered under this chapter.

SECTION 2. IC 25-30-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) An application for license as a private detective must be on a form prescribed by the board accompanied by the license fee as provided by this chapter.

(b) The application shall be verified and shall include the following:

(1) The full name and business address of the applicant.

(2) The name under which the applicant intends to do business as a private detective.

(3) If the applicant is an individual, the individual's:

(A) birth date;

(B) citizenship;

(C) physical description;

(D) current residence address, and residence addresses for the ten (10) years preceding the application; and

(E) employment information for the seven (7) years preceding the application.

(4) If the applicant is a person other than an individual:

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(A) the full name and residence address of each of its members, partners, officers, ~~and~~ directors, and ~~its~~ managers;

(B) the state and date of incorporation and the states in which the corporation is authorized to do business, if the applicant is a corporation; and

(C) the name of the individual or individuals meeting the personal qualifications set forth in section 8 of this chapter.

~~(4)~~ **(5)** Other information, evidence, statements, or documents required by the board.

SECTION 3. IC 25-30-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) Before the application for a license is granted, the applicant must meet all of the following:

(1) Be at least twenty-one (21) years of age.

(2) Be a resident of Indiana for at least one (1) year, except for ~~firms, partnerships, or corporations that are a person who is~~ licensed in another state and who ~~otherwise comply with~~ **is licensed by the board under section 14 of this chapter.**

(3) Have:

(A) experience in private detective work under a licensee or its equivalent **for a continuous period of at least two (2) of the five (5) years immediately preceding the application for a license;**

(B) law enforcement experience **for a continuous period of at least two (2) of the five (5) years immediately preceding the application for a license;**

(C) a degree in criminal justice; or

(D) any other experience relevant to the private detective business;

as determined by the board.

(4) If the applicant wants to carry a firearm while engaging in the private detective business, submit:

(A) a valid firearm certificate obtained under section 19.3 of this chapter; or

(B) evidence that the applicant is a law enforcement officer of the United States, a state, or a political subdivision of a state.

(5) Comply with the requirements set forth in section 8.5 of this chapter.

(6) Demonstrate competency as a private detective by passing an examination developed for this purpose by the board.

(b) If the applicant is a corporation or a partnership, one (1) officer

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in the case of a corporation, or one (1) partner in the case of a partnership, must meet the personal qualifications as set out in subsection (a), unless otherwise provided.

(c) The board may deny a license unless the applicant makes a showing satisfactory to the board that the applicant has not, or if a partnership or corporation, that the ~~officer or partner in individual or~~ **individuals identified under section 7(b)(4)(C) of this chapter to meet the personal qualifications under** subsection (b) has not:

- (1) committed an act, which, if committed by a licensee would be ~~ground~~ **grounds** for the suspension or revocation of a license under this chapter;
- (2) been convicted of a:
 - (A) felony; or
 - (B) a misdemeanor that has a direct bearing upon the applicant's ability to practice competently;
- (3) been refused a license under this chapter or had a license revoked; or
- (4) while unlicensed, committed, or aided and abetted commission of an act for which a license is required by this chapter.

(d) The board may allow the licensing under section 14 of this chapter of an applicant who holds a license as a private detective in another state.

SECTION 4. IC 25-30-1-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 8.5. (a) An application referred to in section 7 or 11 of this chapter must be accompanied by the following:**

- (1) Either:**
 - (A) a fingerprint notice form; or**
 - (B) a complete set of the applicant's fingerprints.**
- (2) Character references from at least five (5) reputable individuals:**
 - (A) each of whom has known the applicant for at least five (5) years preceding the application; and**
 - (B) none of whom is related to the applicant by blood or marriage.**

(b) If the applicant is a person who is not an individual, the applicant shall submit the information required by subsection (a) for the individual or individuals identified under section 7(b)(4)(C) of this chapter.

(c) Upon receipt of the information required by subsection (a) and the application referred to in section 7 of this chapter, except



as provided in subsection (d), the board shall request the licensing agency to make an investigation of the applicant to determine whether the applicant has a good reputation for integrity and complies with section 8(c) of this chapter.

(d) As an alternative to the investigation referred to in subsection (c), the board may accept the results of an investigation of the applicant conducted by the Federal Bureau of Investigation if the investigation:

(1) included Indiana; and

(2) was conducted not more than twelve (12) months before the application date.

(e) Before renewing or reinstating a license issued under this chapter, the board shall update the investigation described in subsection (c) for the licensee.

SECTION 5. IC 25-30-1-8.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 8.6. If a change in the ownership of a private detective business firm results in the failure to meet the qualifications set forth in section 8 or 8.5 of this chapter:**

(1) the private detective license of the private detective business terminates on the date the change in ownership is effective; and

(2) the private detective business must file a new application for a private detective license with the board.

SECTION 6. IC 25-30-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 10. (a) A license, when issued, shall be in a form determined by the board and shall include the following:**

(1) The name of the licensee, or the names of the individual partners if the licensee is a partnership, or the names of the officers and directors of the corporation if the licensee is a corporation.

(2) The name under which the licensee is to operate.

(3) The number and date of the license.

(4) **If applicable:**

(A) **an endorsement to carry a firearm; or**

(B) **a designation that the licensee is prohibited from carrying a firearm, if the licensee is prohibited from doing so by state or federal law.**

(5) Other information the board deems necessary.

(b) The license shall be posted in a conspicuous place in the principal place of business of the licensee.



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(c) Upon the issuance of a license, a pocket card of a design determined by the board shall be issued without charge to each licensee other than a corporation. If the licensee is a corporation or partnership, the pocket card must be issued to each officer, partner, and manager of the corporation or partnership who also meet the requirements under section 8 of this chapter. **Each pocket card must include the following information:**

(1) The name of the licensee.

(2) The address of the licensee's principal place of business.

(3) The license's expiration date.

(4) If applicable, for each individual licensee, officer, partner, or manager to whom a pocket card is issued the firearm endorsement or designation described in subsection (a)(4).

Each individual who is issued a pocket card under this subsection shall affix an appropriate picture to the pocket card, and in addition to the picture the pocket card shall also contain a fingerprint of the forefinger of the licensee. When a license is revoked, the pocket card shall be surrendered and, within five (5) days after revocation, shall be mailed or delivered by the licensee to the board for cancellation.

(d) The board shall furnish **an identification card** to each of the licensee's employees, except office employees, ~~with an identification card.~~ **who register with the board under section 11 of this chapter.** The identification card shall contain a recent picture of the employee, the employee's name, the licensee's name and address, the **number and expiration date of the license** ~~number of issued to~~ the employee's employer, **the firearm endorsement or designation described in subsection (a)(4), if applicable,** and a thumbprint of the employee. The licensee shall affix each employee's picture and thumbprint to the identification card.

(e) A licensee shall, within thirty (30) days after a change, notify the board of any changes of the licensee's address, of the name under which the licensee does business, and of a change of the licensee's officers, directors, members, or partners.

(f) A license issued under this chapter is not assignable and is personal to the licensee.

SECTION 7. IC 25-30-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) **An officer, a partner, or a manager of a nonindividual licensee may register under this section if the officer, partner, or manager meets the requirements of this section.**

(b) A licensee may employ, to assist the licensee in the licensee's business as a private detective, as many ~~unlicensed~~ persons who are at

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1 least eighteen (18) years of age and who register with the board as
 2 may be necessary. The licensee is civilly responsible for the good
 3 conduct of an employee while the employee is acting on behalf of the
 4 licensee.

5 (c) An individual who is employed by a licensee to assist the
 6 licensee in the licensee's private detective business shall file an
 7 application to register with the board on a form prescribed by the
 8 board not later than seven (7) calendar days after the date the
 9 individual is hired.

10 (d) The application must be accompanied by:

11 (1) the same information that is required of a license applicant
 12 by section 8.5(a) of this chapter; and

13 (2) if the applicant wants to carry a firearm while assisting a
 14 licensee in the private detective business:

15 (A) a valid firearm certificate issued under section 19.3 of
 16 this chapter; or

17 (B) evidence that the applicant is a law enforcement officer
 18 of the United States, a state, or a political subdivision of a
 19 state.

20 (e) An applicant may work for a licensee on a temporary basis
 21 not to exceed ninety (90) days from the date of hire while the
 22 registration application is pending if the licensee obtains a waiver
 23 from the person who receives, for hire, the applicant's services.
 24 The waiver must:

25 (1) acknowledge that the person is aware that the applicant
 26 has not completed registration; and

27 (2) consent to the applicant's employment.

28 (f) A registrant may not conduct a private detective business
 29 except under the supervision of a licensee.

30 (g) A registrant may work for more than one (1) licensee. There
 31 is no limit on the number of licensees for whom a registrant may
 32 work.

33 ~~(b)~~ (h) A licensee shall maintain a record, relative to **each** of the
 34 licensee's employees, containing the following information:

35 (1) A picture taken within thirty (30) days of the date that the
 36 employee commences employment with the licensee.

37 (2) A full set of fingerprints of both hands of the employee: **copy**
 38 **of the employee's registration with the board.**

39 (3) Any waiver obtained under subsection (e).

40 SECTION 8. IC 25-30-1-14 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. ~~(a)~~ It shall be
 42 unlawful for a person licensed as a private detective by any other state

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to do business in Indiana unless the person is authorized to do business in Indiana. A person may not do business in Indiana until the person is licensed with the board. ~~and meets the requirements for licensees of this state, except the residence requirement of one (1) year. The board may allow the licensing under this chapter of an applicant who holds a license as a private detective in another state that, as determined by the board:~~

(1) ~~has standards for licensing at least equal to those of this chapter; and~~

(2) ~~extends similar recognition to Indiana licensees.~~

In addition, an out-of-state person must prove to the board that the person is in good standing in the state **in which** the person was issued a license.

(b) ~~A person licensed under this section must have a resident licensee:~~

(1) ~~whose name and license number appear on the license for the private detective business; and~~

(2) ~~who, in writing to the board, assumes full responsibility for the following:~~

(A) ~~All the employees of the private detective business;~~

(B) ~~Maintaining all records required under this chapter in an Indiana location;~~

(C) ~~Assuring compliance with this chapter.~~

(c) ~~The resident licensee is responsible for informing the board, in writing, of the following:~~

(1) ~~When the relationship with an out-of-state licensee is terminated;~~

(2) ~~Where records are maintained by the resident licensee;~~

(d) ~~This section does not relieve a licensee of responsibility for complying with this chapter.~~

SECTION 9. IC 25-30-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. (a) An applicant for a private detective license who employs more than fourteen (14) others must submit proof to the board that the applicant is insured by an insurance company authorized to do business in Indiana for the amount of one hundred thousand dollars (\$100,000) **liability per for each person, three hundred thousand dollars (\$300,000) for each occurrence for bodily injury liability, and one hundred thousand dollars (\$100,000) for property damage liability.**

(b) An applicant for a private detective license who employs less than fifteen (15) others must do one (1) of the following:

(1) Post with the board a surety bond that:



- 1 (A) names the applicant as the principal;
 2 (B) obligates the surety in the amount of seven thousand
 3 dollars (\$7,000) to the board in favor of the state;
 4 (C) requires the principal, if granted a license, to conduct the
 5 business of private detective faithfully and honestly and to
 6 observe all Indiana statutes; and
 7 (D) authorizes the board to declare the bond in default and to
 8 levy against the surety and the principal under the bond for the
 9 payment of actual damages to any person who is harmed as a
 10 result of the principal's violation of the requirements described
 11 in clause (C).
 12 (2) Submit proof to the board that the applicant is insured by an
 13 insurance company authorized to do business in Indiana for the
 14 ~~amount of one hundred thousand dollars (\$100,000) per liability~~
 15 ~~occurrence. coverages and amounts listed in subsection (a).~~
 16 (c) The insurance referred to in subsections (a) and (b)(2):
 17 (1) must cover damages that the insured becomes legally
 18 obligated to pay for bodily injury or property damage proximately
 19 caused to a person by the insured in conducting business as a
 20 private detective;
 21 (2) must include coverage for:
 22 (A) false arrest, detention, or imprisonment;
 23 (B) malicious prosecution; and
 24 (C) wrongful entry or eviction, or other invasion of the right of
 25 private occupancy; and
 26 (3) may not exclude coverage for an intentional act taken by or at
 27 the direction of the insured that results in bodily injury, if such
 28 injury arises solely from the use of reasonable force for the
 29 purpose of protecting persons or property.
 30 (d) Every licensee who employs at least fifteen (15) others shall at
 31 all times maintain in force the insurance referred to in subsection (a).
 32 Upon a licensee's failure to comply with this subsection, the license of
 33 the licensee shall be suspended. A license suspended under this
 34 subsection may not be reinstated until an application for the license, in
 35 the form prescribed by the board, is filed with the board, together with
 36 proper proof of insurance.
 37 (e) Every licensee who employs less than fifteen (15) others shall at
 38 all times maintain in force a surety bond on file with the board under
 39 subsection (b)(1) or maintain in force the insurance provided by
 40 subsection (b)(2). Upon a licensee's failure to comply with this
 41 subsection, the license of the licensee shall be suspended. A license
 42 suspended under this subsection may not be reinstated until an

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1 application for the license, in the form prescribed by the board, is filed
2 with the board, together with proper proof of insurance or surety bond.

3 (f) The board may deny an application for the reinstatement of a
4 license suspended under this section, notwithstanding the applicant's
5 compliance with the insurance or the surety bond requirements of this
6 section for any of the following:

7 (1) Any reason that would justify a refusal to issue, a suspension,
8 or a revocation of a license.

9 (2) The performance by the applicant, while the applicant's
10 license was suspended under this section, of any practice for
11 which a license under this chapter is required.

12 (g) A surety bond posted with the board under this section may be
13 canceled by the surety thirty (30) days after the surety gives the board
14 written notice of its intent to cancel the bond. However, the
15 cancellation of a bond under this subsection does not terminate the
16 liability of the surety on the bond in connection with any action
17 commenced before the cancellation of the bond.

18 SECTION 10. IC 25-30-1-16 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 16. (a) A license and
20 the identification cards of the licensee's employees issued under this
21 chapter expire two (2) years from the date of issuance of the license.

22 (b) A licensee desiring a renewal license **or a registrant renewing**
23 **a registration** must:

24 (1) file an application for renewal at least thirty (30) days before
25 the expiration of the ~~licensee's~~ license **or registration** on a form
26 as prescribed by the board; and

27 (2) meet the license **or registration** renewal requirements
28 determined by the board.

29 (c) A license **or registration** may be reinstated within thirty (30)
30 days after the expiration of the license **or registration** if the applicant
31 does the following:

32 (1) Files an application for renewal with the board.

33 (2) Meets the license **or registration** requirements determined by
34 the board.

35 (3) Pays the license **or registration** and delinquent fees.

36 (d) **The board may not renew or reinstate a license or**
37 **registration until the board completes the investigation described**
38 **in section 8.5(e) of this chapter for the licensee or registrant.**

39 (e) Employee identification cards issued under this chapter expire
40 at the same time as the license referred to in subsection (a).

41 SECTION 11. IC 25-30-1-19.3 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



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[EFFECTIVE JULY 1, 2002]: Sec. 19.3. (a) This section does not apply to a law enforcement officer of the United States, a state, or a political subdivision of a state.

(b) An individual who wants to carry a firearm while engaging in the private detective business must obtain a certificate showing that the applicant has satisfactorily completed a firearms training program approved by the board.

(c) The board shall adopt rules under IC 4-22-2 concerning the firearms training needed for the issuance of a certificate under this section.

(d) The rules must do the following:

(1) Establish procedures for approving organizations that provide firearms training.

(2) Establish a fee for the firearms training required for the issuance of a certificate under this section.

(3) Prescribe the content, duration, and organization of the firearms training course.

(e) The certificate issued under this section is in addition to and does not replace any firearm regulation under federal, state, or local law.

SECTION 12. IC 25-30-1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21. (a) Except as provided in subsection (b), a person who is a licensee or registrant and who:

(1) is convicted of a felony or a crime involving moral turpitude;

(2) testifies falsely under oath or suborns perjury in any judicial proceeding;

(3) if the licensee or registrant carries a firearm while engaging in the private detective business, fails to maintain and carry a certificate obtained under section 19.3 of this chapter;

(4) fails to comply with a subpoena;

(5) if a licensee, fails to report any criminal convictions of a registrant working for the licensee;

(6) fails to keep complete and accurate records required by this chapter;

(7) if a licensee, fails to require all registrants who carry a firearm while working for the licensee to carry and maintain a valid certificate obtained under section 19.3 of this chapter;

(8) carries a firearm when the pocket card or identification card issued to the licensee or registrant under this chapter

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1 contains a prohibition against carrying firearms;
 2 (9) makes a false report for any matter with respect to which
 3 the licensee or registrant is retained or employed;
 4 (10) unless required by law, divulges any information
 5 acquired from or for a client to persons other than a client or
 6 the client's authorized agent without express authorization;
 7 (11) knowingly accepts employment that includes obtaining
 8 information intended for illegal purposes;
 9 (12) fails to notify the board within five (5) calendar days of
 10 conviction of a felony; or
 11 (13) otherwise violates this chapter;
 12 commits a Class A misdemeanor.

13 (b) A person who is not exempt under section 5 of this chapter, who
 14 does not have a private detective license, and who:

- 15 (1) engages in the private detective business;
 - 16 (2) solicits or advertises for business as a private detective; or
 - 17 (3) in any way represents to be a private detective;
- 18 commits a Class A infraction.

19 (c) In addition to any other fine imposed on the person, the court
 20 shall fine the person convicted of an offense under subsection (b) the
 21 amount of compensation earned by the person in the commission of the
 22 offense. Notwithstanding IC 34-28-5-4(a), the total fine imposed under
 23 this section may exceed ten thousand dollars (\$10,000) if necessary to
 24 comply with this subsection.

25 (d) Each transaction under subsection (b) constitutes a separate
 26 offense.

27 (e) A complaint for a violation of this chapter or for an injunction
 28 under section 22 of this chapter is sufficient if the complaint alleges
 29 that a person on a specific day in a specific county:

- 30 (1) acted as a private detective;
 - 31 (2) solicited or advertised for business as a private detective; or
 - 32 (3) represented to be a private detective;
- 33 without a private detective license.

34 SECTION 13. IC 25-30-1-19 IS REPEALED [EFFECTIVE JULY
 35 1, 2002].

36 SECTION 14. [EFFECTIVE JULY 1, 2002] (a) **As used in this**
 37 **SECTION, "board" refers to the private detectives licensing board**
 38 **established by IC 25-30-1-5.1.**

39 (b) **A person who holds a valid private detective license on July**
 40 **1, 2002, does not violate IC 25-30-1-21(a), as amended by this act,**
 41 **by carrying a firearm before January 1, 2004, and may not be**
 42 **disciplined for failure to have a firearms certification required by**



1 IC 25-30-1-19.3, as added by this act, before January 1, 2004.

2 (c) A person who is employed on July 1, 2002, by a person
3 holding a valid private detective license does not violate
4 IC 25-30-1-10, as amended by this act, and may not be disciplined
5 for failure to be registered with the board under IC 25-30-1-10, as
6 amended by this act, or to have a firearms certification required by
7 IC 25-30-1-19.3, as added by this act, before January 1, 2004.

8 (d) Not later than March 15, 2003, the board shall adopt rules
9 under IC 4-22-2 to carry out this act.

10 (e) This SECTION expires January 2, 2004.

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